

ORIGINAL
The Morenci Water & Electric C

401 Burro Alley
P.O. Box 68
Morenci, AZ 85540
Telephone (928) 865-2229
Facsimile (928) 865-5261



Arizona Corporation Commission

DOCKETED

SEP. 21 2010

September 10, 2010

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



Re: Purchase Power Fuel Adjuster
Docket: E-01049A-97-0677, Decision #49576
Reports for August 2010

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$82,631.18
- Tucson Electric Power in the amount of \$246,125.00
- Tucson Electric Power in the amount of \$2,008,758.00
- Freeport McMoRan Copper & Gold Energy Services, LLC in the amount of \$3,232,989.47

Please let me know if you have any questions or comments.

Sincerely,

Ruel A. Rogers, Jr.
Superintendent

RAR/dl

Enclosures (13 sets)

XC: B. Bozzo, ACC w/encl.
M. McElrath, FMI w/encl.
B. Keene, ACC w/encl.
File PPFA 2010

RECEIVED
2010 SEP 21 A 9:49
ARIZONA CORPORATION
DOCKET CONTROL

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1
For the Month of August, 2010

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>(483,961)</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>3,132,714</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>105,118,571</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 66931 (April 2004) and 69200 (December 2006)	KWH	<u>101,985,857</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>4,808,307</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.045742</u>
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No.54712 Dated 10/10/85	\$/KWH	<u>0.075220</u>
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No. 71468 (January 2010)	\$/KWH	<u>(0.027000)</u>
7	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH	<u>0.04822</u>
8	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH	<u>(0.002478)</u>
9	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$	<u>(7,764)</u>
10	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$	<u>0</u>
11	PREAPPROVED DSM COSTS: From FA-1B	\$	<u>0</u>
12	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$	<u>(491,725)</u>

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1A
ADJUSTMENTS TO BANK BALANCE DETAIL
For the Month of August, 2010

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE:
(Transfer amount to FA-1, Line 10.)

\$0.00

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1B
PREAPPROVED DSM COST DETAIL
For the Month of August, 2010

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

PROGRAM NAME	APPLICABLE TIME PERIOD	CUMULATIVE COSTS CLAIMED TO DATE	COSTS CLAIMED THIS MONTH
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NONE

TOTAL DSM COSTS CLAIMED THIS MONTH
(Transfer amount to FA-1, Line 11.)

\$0.00

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
BANK BALANCE REPORT FA-1C
For the Month of August, 2010

Supplemental report for Decision No. 61298 dated December 1998

Line

1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$		<u>0</u>
2.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH		<u>0</u>
3.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH	<u>0.000000</u>	
4.	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$		<u>0</u>
5.	ENDING BANK BALANCE: (Line 1 + Line 5)	\$		<u>0</u>

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
GENERAL INFORMATION FA-2
For the Month of August, 2010

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: RUEL A. ROGERS, JR.
4. CONTACT TELEPHONE NUMBER: (928) 865-6971

GENERATION

5.	GAS GENERATION	(\$)		
6.	OIL GENERATION	(\$)		
7.	COAL GENERATION	(\$)		
8.	OTHER GENERATION (Identify)	(\$)		
	TOTAL GENERATION COSTS	(\$)	A.	0

PURCHASED POWER

9.	BASE METER CHARGE	(\$)		
10.	DEMAND CHARGE	(\$)		
11.	ENERGY CHARGE	(\$)		
	TOTAL PURCHASED POWER COSTS (Including Special Contract Per Decision No. 60807)	(\$)	B.	<u>4,808,306.88</u>
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)		<u>\$4,808,306.88</u>
13.	KWH	(KWH)		
	Generated			0
	Purchased Special Contract (Per Decision No 60807)			<u>101,985,857</u>
	Purchased			<u>3,365,669</u>
	TOTAL KWH GENERATED/PURCHASED			<u>105,351,526</u>
14.	COST PER KWH (Line 12/Line 13)	(\$/KWH)		<u>0.045641</u>
15.	UNACCOUNTED FOR KWH'S			
	Line Loss	(KWH)		<u>(98,510)</u>
	Own Use	(KWH)		<u>77,797</u>

THE MORENCI WATER & ELECTRIC COMPANY
PURCHASED POWER AND FUEL ADJUSTOR
GENERAL INFORMATION FA-3
For the Month of August, 2010

Line			
1.	<u>SALES (KWH)</u>		
	Residential	<u>1,579,384</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,553,330</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Special Contract Sales per Decision No. 69331(Apr 2004) and 69200 (Dec 2006)	<u>101,985,857</u>	
	TOTAL SALES (KWH)		<u>105,118,571</u>
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	<u>\$181,853.96</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$163,090.07</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>\$4,876,239.85</u>	
	TOTAL SALES (\$)		<u>\$5,221,183.88</u>
3.	<u>NUMBER OF CUSTOMERS**</u>		
	Residential	<u>2,072</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>264</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>1</u>	
	TOTAL CUSTOMERS		<u>2,337</u>

**Use 'Avg' number of customers; Beg # + End # divided by 2.

THE MORENCI WATER & ELECTRIC COMPANY

Miscellaneous Power Purchase Data

Excludes Special Contract Sales

For the Month of August, 2010

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	105,118,571	100.0%	
Total Own Usage	77,797	0.1%	
Total System Losses	127,793	0.1%	
Total Purchased Energy	105,168,567		
System Losses-Rolling annual average		-0.09%	
MWE Billed Peak			N/A
MWE Load Factor as Billed	N/A		
*MWE/PDC Coincidental Peak Demand			N/A
*MWE/PDC Coincidental Load Factor	N/A		
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers			N/A
MWE Actual Load Factor Per 3 MWE Totalizers	N/A		



The Energy People

P.O. Box 711 M/S DS204
Tucson, Arizona 85702
Phone: 520-917-8773
Fax: 520-917-8789

INVOICE

Morenci Water & Electric
Attn: Ruel Rogers
P.O. Box 68
Morenci, AZ 85540

Invoice Date: **September 2, 2010**

Customer No:

Description	Charges	Credits	Amount
Charges in accordance with Service Schedules "A", "B", "C", "D", "E" and "F" of the Control Area Services Agreement dated August 18, 2004.			
Month of: August 2010			
Control Area Services:			
Administrative 182,980 kW @ 0.0128 / kW	2,342.15		2,342.15
Reactive Supply & Voltage Control 182,980 kW @ 0.1610 / kW	29,459.85		29,459.85
Regulation & Frequency Response 2,134 kW @ 12.0850 / kW	25,789.39		25,789.39
Energy Imbalance - Outside Bandwidth:			
Negative Imbalance 214.66 MWh @ 100.00 / MWh	21,465.93		21,465.93
Positive Imbalance (217.483) MWh @ 39.13470 / MWh		8,511.14	(8,511.14)
Spinning Reserve 1,000 kW @ 12.0850 / kW	12,085.00		12,085.00
Interruptible Load/Non-Spin 0 kW @ 1.9840 / kW	-		-
Energy Imbalance - Inside Bandwidth - Payment-in-Kind:			
Negative Imbalance 1,619 MWh			
Positive Imbalance (1,530) MWh			
Net 88 MWh			

e-mail to:
r

copy to:

Freeport McMoran Copper & Gold, Inc.
Attn: Mike Hughes
One North Central Avenue
Phoenix, Arizona 85004

Payments are due the 15th day after invoice receipt

Amount Due TEP \$ **82,631.18**

Please Wire Transfer Payments to:

Due Date: **September 17, 2010**

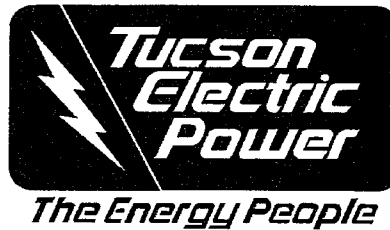
Tucson Electric Power Company - Corporate
Wells Fargo Bank
ABA 121-000-24R
Account Number

Payments not received on or before the
Due Date are subject to a late charge.

Checked By:

Approved By:

Questions? Call Shawna Hilman at (520) 917-8716 or
e-mail SHilman@tep.com



P.O. Box 711
Tucson, Arizona 85702
520-745-7170
fax 520-770-2003

INVOICE

Morenci Water & Electric Company
Attn: Ms. Roxanne Boling
P.O. Box 68
Morenci, AZ 85540

Invoice Date: **September 3, 2010**

Description	Charges	Credits	Amount
Energy purchased by: MWE August			
Energy Charge: 0 MWh @ \$0.00 /MWh	\$ -		\$0.00
Transmission Services			
Transmission 100 MW @ \$2,259.25 MW-Mon	\$225,925.00		\$225,925.00
Ancillary Services:			
Scheduling, System Control, and Dispatch Service \$161.00 MW-Mon	\$16,100.00		\$16,100.00
Reactive Supply and Voltage Control \$41.00 MW-Mon	\$4,100.00		\$4,100.00
Non-Spin capacity 0 MWh @ 0.00 /MWh		\$0.00	\$0.00
Amount Due TEP			\$ 246,125.00

Payments are due the later of the last day of the invoice month or the tenth day after receipt.

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate
Wells Fargo Bank
ABA 121-000-248
Account Number

Due Date: September 30, 2010

Payments not received on or before the Due Date are subject to a late charge.

Approved By: _____

Checked By: _____

Questions? Call Kevin Battaglia at (520) 745-7170 or
e-mail Kbattaglia@tep.com



P.O. Box 711

Tucson, Arizona 85702

520-745-7170

fax 520-770-2003

Morenci Water & Electric Company

Attn: Ms. Roxanne Boling

P.O. Box 68

Morenci, AZ 85540

Invoice Date:

September 3, 2010

Payments are due the later of the last day of the invoice month or the tenth day after receipt.

Amount Due TEP

\$	2,008,758.00
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Please Wire Transfer Payments to:

Due Date:

September 20, 2010

Payments not received on or before the Due Date are subject to a late charge.

Approved By: _____

Checked By:

Questions? Call Kevin Battaglia at (520) 745-7170 or
e-mail Kbattaglia@tep.com



**FREEPORT-McMoRAN
COPPER & GOLD**

Freeport-McMoRan Copper & Gold Energy Services, LLC
333 North Central Avenue, Phoenix AZ 85004
(602) 366-8100 Voice
(602) 366-7314 Facsimile

INVOICE

Invoice Date: September 1, 2010

Morenci Water & Electric
P.O. Box 68
66 Fairbanks Road
Morenci, Az. 85540

Description	Charges	Credits	Amount
Energy Purchased by MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Second Revised Sheet Nos. 1-3			
Capacity MW 150	\$ 1,200,000.00		\$ 1,200,000.00
Energy MWh 58,652	\$ 1,836,505.27		\$ 1,836,505.27
var O&M 58,652	\$ 196,484.20		\$ 196,484.20
Current Charges			\$ 3,232,989.47

Due Date: September 15, 2010

Wire Transfer:

Bank of America
Dallas, Texas
ABA # 026009593
Account #
Freeport-McMoRan Copper & Gold Energy Services